

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 7th FEBRUARY 2007

REPORT OF THE FINANCIAL SERVICES MANAGER

This matter is the responsibility of Executive Councillor Williams,
Leader of the Council

CAPITAL PROGRAMME 2007/08 onwards

EXECUTIVE SUMMARY

This report details the proposed General Fund (GF) and Housing Revenue Account (HRA) capital programmes for the period 2007/08 to 2010/11.

For the General Fund the estimated unallocated resources available are £17k. Proposed new schemes amount to £145k, but self-funding, leaving the same £17k of unallocated capital resources available for future schemes.

For all Housing schemes, both GF and HRA, the estimated resources available for 2007/08 amount to £6,593k. The proposed capital programme for 2007/08 amounts to £6,402k. Members should note it is proposed that we carry forward the remaining £191k to support the HRA Decent Homes capital programme into the future.

1 INTRODUCTION

1.1 The purpose of this report is to consider the proposed GF Capital Programme as outlined in Appendix A and to consider the proposed HRA Capital Programme as outlined in Appendix B. Following consideration by the Executive the programme is due to be considered by Full Council on 20th February.

2 CAPITAL RESOURCES

2.1 All capital expenditure has to be financed from borrowing, capital receipts or other revenue funds.

2.2 The current position on the amount of unallocated resources available for both the GF and Housing is set out below:

	2007/08 General Fund £000	2007/08 Housing £000
Current Balance	17	6,593

2.3 The General Fund figure shown above reflects the uncommitted balance on capital reserves. Resources for Housing include the Major Repairs Allowance, supported borrowing, usable capital receipts and any revenue contributions to capital.

- 2.4 The figure for the HRA is much higher as, unlike the GF, the HRA receives a direct grant from central Government (the Major Repairs Allowance) towards capital expenditure. This comprises around 55% of all resources available to finance Housing schemes.
- 2.5 It should be noted that for both the GF and the HRA no Prudential borrowing is assumed in the table above. For Housing the only borrowing that is included in the resources is that borrowing for which central Government will provide revenue support via subsidy to meet debt costs. This is known as “supported borrowing” and amounts to £624k in 2007/08.
- 2.6 Members should note that at the time of writing this report the Department of Communities and Local Government had yet to announce the final supported borrowing and disabled facilities grants levels. Early indications are that we can expect the amounts included above, but ministers will not decide the final allocation until late February 2007. Once this announcement has been made, and if the allocations are greatly different from our assumptions, then Members will be informed through the usual mechanism.
- 2.7 If necessary, any new loan debt will only be taken after full consideration of the Authority’s treasury management strategy and the indicators prescribed by the Prudential Code.
- 2.8 The funding for the programmes in 2008/09 to 2010/11 is anticipated to be broadly similar to 2007/08, although it is not possible at this stage to accurately identify these. However, when details are known the programme will be amended to reflect the actual level of funding available.

3 GENERAL FUND CAPITAL PROGRAMME

- 3.1 The current approved capital programme totals £12.18m. This includes any slippage in schemes, which have been rolled forward from 2005/06 and any subsequent supplementary estimates that have been approved by Full Council.
- 3.2 The programme also includes the GF Housing capital programme, a summary of which is shown below:

	2006/07 £000	2007/08 £000	2008/09 £000	Post 2009 £000
Renovation Grants	456	335	335	335
Disabled Facilities Grants (Private Sector)	350	350	350	350
Grants to Housing Associations	930	809	809	809
Single Housing Investment Pot Bids	44	0	0	0
Total	1,780	1,494	1,494	1,494

Further details on the proposed GF Housing capital programme are shown in Appendix C.

3.3 Due to the limited amount of resource available, as stated in 2.2 above, no recurring or new schemes are being considered unless they are self-financing or financed from external sources.

3.4 New Schemes

The Executive propose to make the following new schemes a priority for the new Programme:

Portfolio/Scheme	Amount (£)
Economic Dev, Property & Tourism	
Grass Cutting Equipment and Small Plant (DLO Reserves Funding)	35,400
Vehicle Acquisitions (DLO Reserves Funding)	109,500
Total	144,900

3.5 In supporting the schemes outlined in paragraph 3.4, there is no impact on the unallocated resource available due to the finance being available from DLO reserves.

3.6 Future General Fund projects can be undertaken when resources become available. This could be through either borrowing, revenue contributions or through the sale of assets.

3.7 The detailed GF capital programme, which includes these proposed schemes now totals £12.18m and is shown in Appendix A.

4. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

4.1 The table in paragraph 2.2 shows the level of resources available to finance the proposed Housing capital programme for 2007/08, and as mentioned above, includes no unsupported borrowing. By limiting the borrowing necessary for the programme to the amount of supported borrowing ensures that the HRA will not have to meet any unsupported borrowing costs. Included within this sum is a contribution to capital from the HRA of £1,508k and estimated useable capital receipts from the sale of Council Houses of £575k (32 sales are estimated in 2007/08).

4.2 The General Fund Housing Programme, as detailed in paragraph 3.2 requires the use of £1.494m of these resources, leaving £5.099m available for the HRA capital programme.

4.3 The proposed HRA Capital Programme for 2007/08, as detailed in Appendix B, and accompanied by the commentary in Appendix C, projects a programme of £4.908m. Members should note this

programme will leave resources available to carry forward of £191k. These resources will be used to support the future Decent Homes Programme.

- 4.4 The Housing Review Panel and the Review Board considered the Draft Housing Capital Programme at their meetings on 23rd and 25th January respectively and made no formal recommendations.
- 4.5 For both the GF and HRA any new schemes, which emerge during the lifespan of the programmes, will be funded through existing unallocated resources or through new resources, such as new capital receipts. Bids for additional schemes to those set out above should be made through the Executive, using the PAR format.

5 RECOMMENDATIONS

- 5.1 The Executive is requested to recommend the General Fund and Housing Revenue Account Capital Programmes to Full Council for approval.

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Background Papers: **Review Board 25th January 2007, Capital Programme 2007/08 to 2010/11.**

**TAUNTON DEANE BOROUGH COUNCIL
GENERAL FUND CAPITAL PROGRAMME SUMMARY**

Portfolio Expenditure	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
Corporate Services	603,910	65,000	65,000	256,960	990,870
Economic Dev, Property & Tourism	1,120,950	324,900	0	677,580	2,123,430
Environmental Services	721,830	109,700	24,700	816,160	1,672,390
Housing (Non-HRA)	1,780,000	1,494,000	1,494,000	1,494,000	6,262,000
Leisure, Arts and Culture	637,780	201,620	116,500	84,940	1,040,840
Planning Policy & Transportation	195,440	45,000	25,000	112,460	377,900
Total Expenditure	5,059,910	2,240,220	1,725,200	3,442,100	12,467,430

TDBC CAPITAL PROGRAMME 2006/07 onwards
CORPORATE SERVICES

PRIMARY CODE	RESPONSIBLE OFFICER	SCHEME / PROJECT	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
T30	George Stark	Public Buildings -Disabled Access	100,000	0	0	188,640	288,640
T31	George Stark	Energy Conservation/Water Management	5,000	5,000	5,000	28,530	43,530
T32	Stewart Rutledge	The Deane House - Air Conditioning	0	0	0	5,990	5,990
T58	Simon Kirkham	IT Improvements	65,610	60,000	60,000	0	185,610
T59	George Stark	Asbestos Removal	0	0	0	33,800	33,800
W18	Stewart Rutledge	Deane House Security System	17,000	0	0	0	17,000
W29	Claire Bramley	Image Scanner Purchase 06/07	16,300	0	0	0	16,300
W51	Paul Harding	Revenues & Benefits IT System	400,000	0	0	0	400,000
		Total Expenditure	603,910	65,000	65,000	256,960	990,870

TDBC CAPITAL PROGRAMME 2006/07 onwards

ECONOMIC DEVELOPMENT, PROPERTY AND TOURISM

PRIMARY CODE	RESPONSIBLE OFFICER	SCHEME / PROJECT	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
T40	Tony Turner	Grass Cutting Equipt.	33,950	35,400	0	0	69,350
T41	Tony Turner	Vehicle Acquisitions	93,000	109,500	0	0	202,500
T47	Adrian Preist	Misc' Land and Property Purchases	450,000	0	0	0	450,000
T61	John Seabrook	Parking on Estates	15,000	0	0	600	15,600
T62	Tom Noall	Taunton Town Centre	10,000	0	0	0	10,000
T82	Stewart Rutledge	Paul St Car Park	0	0	0	116,850	116,850
T83	John Lewis	Town Centre CCTV	0	0	0	60,130	60,130
W17	Stewart Rutledge	Bike Park Development (St James St)	0	0	0	0	0
W37	Joy Wishlade	Project Taunton - Firepool	0	0	0	250,000	250,000
W38	Joy Wishlade	Project Taunton - Town Centre Retail	0	0	0	250,000	250,000
W60		Hestercombe Gardens (Heritage)	30,000	30,000	0	0	60,000
W69	Adrian Preist	Frobisher Way	0	0	0	0	0
W70	Adrian Preist	Blackdown Business Park	489,000	0	0	0	489,000
W71	Steve Kendall	Business Park Development, Wiveliscombe	0	150,000	0	0	150,000
		Total Expenditure	1,120,950	324,900	0	677,580	2,123,430

TDBC CAPITAL PROGRAMME 2006/07 onwards

ENVIRONMENTAL SERVICES

PRIMARY CODE	RESPONSIBLE OFFICER	SCHEME / PROJECT	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
No code	Paul Rayson	Mercury Abatement Works (Extension and Filters)	0	85,000		285,000	370,000
T27	Paul Rayson	Cemetery Extension	0	0	0	14,960	14,960
T52	Bruce Carpenter	Refurbish Public Conveniences	27,030	0	0	0	27,030
T54	Pete Weaver	Env Health Hand Held Computers	0	0	0	3,860	3,860
T74	Ian Clark	Taunton/Bridgwater Canal	10,000	10,000	10,000	0	30,000
T95		Air Quality Monitoring Equipment	0	0	0	5,440	5,440
W12	Paul Rayson	Crematorium - Exension	48,100	0	0	0	48,100
W13	Paul Rayson	Cemetery & Crematorium Car Park Lighting	0	0	0	8,200	8,200
W28	Paul Rayson	Sound System Upgrade at Crematorium	6,000	0	0	0	6,000
W36	Ian Clark	Neroche Project	14,700	14,700	14,700	14,700	58,800
W68	Bruce Carpenter	Waste Initiative	616,000	0	0	484,000	1,100,000
		Total Expenditure	721,830	109,700	24,700	816,160	1,672,390

TDBC CAPITAL PROGRAMME 2006/07 onwards**HOUSING HOUSING (NON HRA)**

Primary Code	Scheme	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
V97	Single Housing Investment Pot Funds	44,000	-	-	-	44,000
V98	Private Sector Renewal Grants	456,000	335,000	335,000	335,000	1,461,000
V98	Disabled Facilities Grants	350,000	350,000	350,000	350,000	1,400,000
V99	Grants to Registered Social Landlords	930,000	809,000	809,000	809,000	4,859,406
	Total Expenditure	1,780,000	1,494,000	1,494,000	1,494,000	6,262,000

TDBC CAPITAL PROGRAMME 2006/07 onwards
LEISURE, ARTS AND CULTURE

PRIMARY CODE	RESPONSIBLE OFFICER	SCHEME / PROJECT	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
No code	Joy Wishlade	Museum Funding Grant	20,000				20,000
T01	Karen Hughes	Corporate Priorities - Grants to Clubs	50,040	144,620	59,500	0	254,160
T04	Karen Hughes	Corporate Priorities - Play Equipt. Grants to Parishes	37,500	31,000	31,000	0	99,500
T05	Karen Hughes	Play Equipt. Replacement	26,000	26,000	26,000	84,940	162,940
T46	Steve Hughes	Taunton Green Multi Use Games Area	54,700	0	0	0	54,700
W09	Steve Hughes	Tennis Centre Extension	340,000	0	0	0	340,000
W14		Blackbrook - Hawkins Trust Payment	65,000	0	0		65,000
W15	Joy Wishlade	Travel Plan	15,100	0	0	0	15,100
W16	Steve Hughes	Vivary Chalet	17,300	0	0	0	17,300
W27	Josep Galicia	Reinstatement of Jurston Lane Playing Facilities	12,140	0	0	0	12,140
		Total Expenditure	637,780	201,620	116,500	84,940	1,040,840

TDBC CAPITAL PROGRAMME 2006/07 onwards

PLANNING POLICY AND TRANSPORTATION

PRIMARY CODE	RESPONSIBLE OFFICER	SCHEME / PROJECT	2006/07 £	2007/08 £	2008/09 £	Post 2009 £	Total
T45	John Lewis	Parking Strategy - Payment Equipment Replacement	23,830	20,000	0	0	43,830
No code	Tim Burton	Development Control Software	80,000				80,000
T60	John Herrington	Contributions to Footpaths and Streetlighting	12,000	25,000	25,000	57,350	119,350
T86		Town Centre Improvements	69,610	0	0	0	69,610
T94		Pedestrian Signage	0	0	0	5,700	5,700
W32	John Lewis	Multi-Storey Car Park - Drying Room	0	0	0	10,000	10,000
W33	John Lewis	Anti Suicide Measures - Paul St Car Park	10,000	0	0	39,410	49,410
		Total Expenditure	195,440	45,000	25,000	112,460	377,900

Housing Capital Programmes 2006/07 to 2010/11

Area	Original Budget 2006/07	Revised Budget 2006/07	Proposed Budget 2007/08	Indicative Budget 2008/09	Indicative Budget 2009/10	Indicative Budget 2010/11
Decent Homes						
Kitchen Improvements + bathroom fi	}					
Roofing - Pitched - age renewal	}					
Roofing - Pitched - early failure	}					
Roofing - flat - age renewal	}					
Roofing - flat - early failure	}	3,593,000	3,514,570	4,277,700	4,512,390	4,735,400
Windows	}					4,920,030
Electrical Testing - 10 years	}					
Rewiring	}					
Heating Improvements	}					
Refurbishments - one-off	}					
	3,593,000	3,514,570	4,277,700	4,512,390	4,735,400	4,920,030
Other Works						
Integrated Housing Management System	279,000	279,000	80,000			
Communal TV Aerials	20,000	20,000	20,000	20,000		
Door Entry Systems	30,000	30,000	20,000	20,000	20,000	20,000
Aids and Adaptations	200,000	200,000	200,000	200,000	200,000	200,000
Soundproofing	10,000	10,000	20,000	20,000	20,000	20,000
DDA Work	20,000	20,000	20,000	20,000	20,000	20,000
Asbestos Works	20,000	20,000	20,000	20,000	20,000	20,000
	4,172,000	4,093,570	4,657,700	4,812,390	5,015,400	5,200,030
Community Alarm Systems	45,000	45,000	45,000	45,000	45,000	45,000
Tenants Imps.	5,000	5,000	5,000	5,000	5,000	5,000
Cash Incentive Scheme	50,000	50,000	0	0	0	0
Disabled Facilities Grants (HRA Stock)	200,000	200,000	200,000	200,000	200,000	200,000
Total HRA Capital	4,472,000	4,393,570	4,907,700	5,062,390	5,265,400	5,450,030
General Fund Housing Capital Schemes						
Grants to RSLs	809,000	930,410	809,000	809,000	809,000	809,000
Private Sector Renewal Grants	335,000	456,070	335,000	335,000	335,000	335,000
Disabled Facility Grants - Private Sector	350,000	350,000	350,000	350,000	350,000	350,000
<u>Single Housing Investment Pot Bids</u>						
Sprinklers	0	20,190	0	0	0	0
Homeless Scheme	0	24,000	0	0	0	0
Total GF Housing Capital	1,494,000	1,780,670	1,494,000	1,494,000	1,494,000	1,494,000
Total Housing Capital Programme	5,966,000	6,174,240	6,401,700	6,556,390	6,759,400	6,944,030

APPENDIX C

1. Housing Capital Programme Commentary

- 1.1 The Capital Programme projected for 2007/08 is based on a realistic assessment of the resources that are available. The programme is designed to achieve an investment strategy to meet the demands for the improvement of public and private housing and to make a significant contribution to Joint Commissioning for the provision of new homes. The programme follows the priorities outlined in our housing strategy and HRA business plan, which in turn properly considers the links to the overall strategy of the Council.

2. Comments

- 2.1 The comments focus on the main items of expenditure as set out in Appendix A.

2.2 **Local Authority Owned Stock**

- 2.3 The future major investment into the Housing Stock will concentrate on delivering 'Decent Homes'.

- 2.4 Delivering Decent Homes (HP 4, Continued Investment in Management and Maintenance of Housing Stock) £4,277,700

In July 2001 the Council received guidance on the Government target to 'ensure that all social housing meets set standards of decency by 2010 by reducing the number of households living in social housing that does not meet these standards'. There are four criteria used to determine a "decent home" and each property has to satisfy these in order to be classified as decent.

The four criteria are:-

- A. It meets the current statutory minimum standard for housing
- B. It is in a reasonable state of repair
- C. It has reasonably modern facilities and services
- D. Provides a reasonable degree of thermal comfort

Predominantly, this work will concentrate on upgrading kitchens and bathrooms, re-roofing, provision of double glazed PVCu replacement windows, replacement of external doors (with improved security where appropriate), upgrading central heating systems and testing electrical installations, ensuring compliance the latest IEE regulations.

- 2.5 Door Entry Systems (HP 4 Continued Investment in Management and Maintenance of Housing Stock) £20,000

Historically door entry systems have been installed in Sheltered Housing schemes. In future we will be concentrating on blocks of flats vulnerable to Anti-Social

	Behaviour.	
2.6	<u>Soundproofing Work (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u> The programme, which started with the Duplex flats at Holway, Taunton in 1997 has been extended to other flats with timber floors where sound transmission problems exist.	£20,000
2.7	<u>New Housing Management IT System (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u> This project commenced in 2006/07 and its implementation will be complete during 2007/08.	£80,000
2.8	<u>Communal TV Aerial Systems</u> In line with the Government requirements, as existing communal T.V. aerial systems become time expired, these will be replaced with systems capable of receiving a digital signal.	£20,000
2.9	<u>Aids and Adaptations (inc parking) (HP 5 Continued Support for Vulnerable Groups)</u> Continued assistance to provide essential modifications to Council dwellings including small car parking improvements for disabled tenants.	£200,000
2.10	<u>DDA Work</u> In order to ensure that buildings used by the public comply with the Disability Discriminations Act, certain modifications are necessary. This includes sheltered scheme meeting halls and shops in our ownership.	£20,000
2.11	<u>Asbestos Investigations (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u> Surveys are currently being carried out to help build and maintain a database identifying where asbestos-based products exist.	£20,000
2.12	<u>Tenants Improvements and the provision of Community Alarm Systems</u> This budget allows continued investment into the Community Alarm Service, assisting elderly, infirm and vulnerable people to remain in their homes. It also compensates tenants for improvements they have undertaken under the Rights to Compensation legislation when they vacate their homes.	£50,000
2.13	<u>Disabled Facilities Grants (HRA Stock) (HP 5 Continued Support for Vulnerable Groups)</u> Demand continues for this service which is also a statutory duty. Recommend continuing the current investment level.	£200,000

3. **Private Sector Renewal**
- 3.1 Grants to Registered Social Landlords (HP 1) £809,000
The current building programme (with reserve schemes) involves provision of accommodation over the three-year period, but we need to increase the number of units being provided to 197 per annum according to the ARK report 2005.
- 3.2 Private Sector Renewal Grants (HP 3) £335,000
Continued investment into the private sector for grant aid. Work has begun on providing loans under the Regulatory Reform of Grants through the Wessex Reinvestment Trust. The development of a Home Improvement Agency continues. Councillors will be kept informed of progress and further information will be provided verbally to Members at the meeting.
- 3.3 Disabled Facilities Grants – Private Sector (HP 5) £350,000
This remains an important investment as evidenced by the 2002 Private Sector House Condition Survey. As with Council DFG's there is a statutory obligation to provide this service.